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The Energy and Tax Extenders Act of 2008 is a catch-all bill of tax increases and special-interest tax cuts. Nestled inside is Mr. Rangel's gift for the trial bar. The provision would allow plaintiffs lawyers to deduct the up-front expenses of pursuing contingency-fee lawsuits, even in cases where the lawyer is expecting to be reimbursed for these expenses. The IRS currently considers these costs a loan from the lawyer to his client, and like other taxpayers, the lawyer can only deduct the loan if it isn't paid back.

Mr. Rangel's spokesman says, "This is purely a matter of fairness and tax equity. The individuals who would benefit from this provision are already eligible to deduct expenses related to contingency-fee lawsuits, the only question is when." Not exactly. Attorneys who snare a percentage of the recovery plus expenses today receive no deduction. Allowing these big deductions now would mean that future reimbursements are taxed, but with some monster class-actions, the lawyers could avoid the tax bill for a decade or more.

Naturally, this would be an incentive to file more class-action suits, because the lawyers could write off their up-front expenditures to pursue them. So much for thinking that the guilty pleas of Bill Lerach and Dickie Scruggs for corruption would cause Democrats to temper their allegiance to the trial bar.

Credit for blowing the whistle on this goes to California Republican John Campbell, and his warning is timely. The bill passed the House last week and the Senate will consider it soon. The Bush Administration has already objected to other parts of the bill and should add this to the list of reasons to veto. Meanwhile, someone should ask Barack Obama if this is what he means by "a tax code that rewards work."